

NGO Monitoring Report 2024



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Introduction

NGO programmes and projects funded by the National Social Inclusion Foundation (NSIF) are systematically monitored to ensure accountability and transparency in the use of funds.

The NSIF monitoring process involves regular collection of data, information and evidence on funded programmes and projects for the following purposes.

1. To track progress and performance of programmes/projects in terms of their technical and financial execution against plans, timeframes, planned outputs and budgets and determine whether expected outcomes/results are likely to be achieved
2. To ensure proper use of funds, financial soundness and good governance
3. To check compliance with Funding Contract Agreement
4. To diagnose issues, challenges and risks impacting on implementation of funded programmes/projects and provide adequate support to organisations to improve programme/project management
5. Identify good and bad practices, lessons learnt and areas for improvement
6. Inform disbursements of funds and future funding decisions

The assessment of NGO monitoring performance is based on the verification of monitoring data and information reported by NGOs at mid-term and closure of the 12-month funding period of their programmes and projects and following site visits conducted by NSIF's Programme Officers.

This report presents an analysis of the overall monitoring performance of 174 NGOs, using information compiled from NSIF's monitoring staff (Programme Officers) reports on programme and project closures processed during the financial year 2022-2023.

Monitoring Toolkit

The Foundation adopts a results-based monitoring framework and a monitoring toolkit for the standardised collection, analysis and reporting of monitoring information and data. The NSIF monitoring toolkit covers five monitoring components with quantitative and qualitative indicators and corresponding verification checklists.

Table 1: Components and Indicators of the NSIF Monitoring Toolkit

1. PROGRESS TRACKER

Activity Monitoring	To track progress of activities and delivery of outputs
Indicators	
P1	Whether planned activities/services delivered
P2	Progress of activities broadly within timeframe
P3	Appropriate resources available to implement activities
P4	Expected outputs/results being achieved

2. FINANCIAL CONTROL

Financial Monitoring	To ensure correct use of funds
Indicators	
F1	Items of expenditure and amounts spent in line with approved budget
F2	Whether expenditures accounted for
F3	Any authorised or unauthorised adjustments/reallocations to budget
F4	Adequacy of financial control system

3. COMPLIANCE CHECK

Compliance Monitoring	To check compliance with Funding Contract Agreement
Indicators	
C1	Compliance with Funding Contract Agreement

4. BENEFICIARY ANALYSIS

Beneficiary Monitoring	To ensure accurate targeting of beneficiaries
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Indicators

B1	Beneficiary verifications
B2	Deviations from targeted number of beneficiaries
B3	Needs-based beneficiary selection process

5. RISK ASSESSMENT

Risk Monitoring	To identify risk situations within the organisation
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Indicators

R1	Risk factors relating governance, management, human resources, financial control and programme management
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Reporting by NGOs

NGOs funded by the NSIF are required to report on the implementation of funded programmes/projects and the utilisation of funds allocated. A Progress Report at mid-term of the 12-month funding period and a final Closure Report at the end of the funding period are submitted using standardised activity and financial reporting templates along with necessary supporting documentations.

Figures 1 and 2 below show that the quality of activity and financial reporting by NGOs at closure, in terms of the accuracy, completeness and timeliness of information provided, generally ranged from quite satisfactory to satisfactory.

However, it is noteworthy that in nearly 30 percent of cases the timing of financial reporting was found to be either unsatisfactory or problematic. Necessary financial information and supporting documentations were typically not provided by the NGOs concerned within the required timeframe of one month following the end the funding period, leading to delays in closing funded programmes/projects. In a few instances, closures were finalised well beyond 9 months after the end of the funding period.

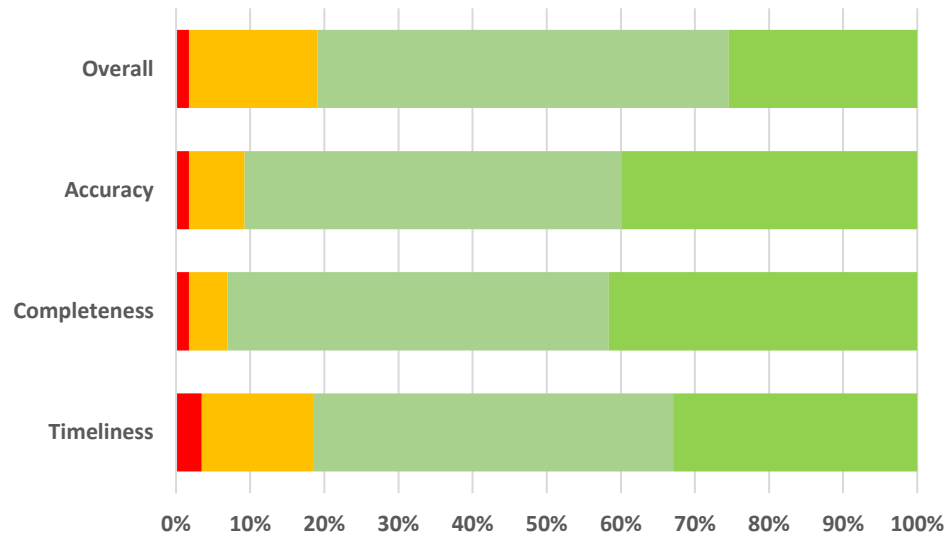


Figure 1: Activity Reporting

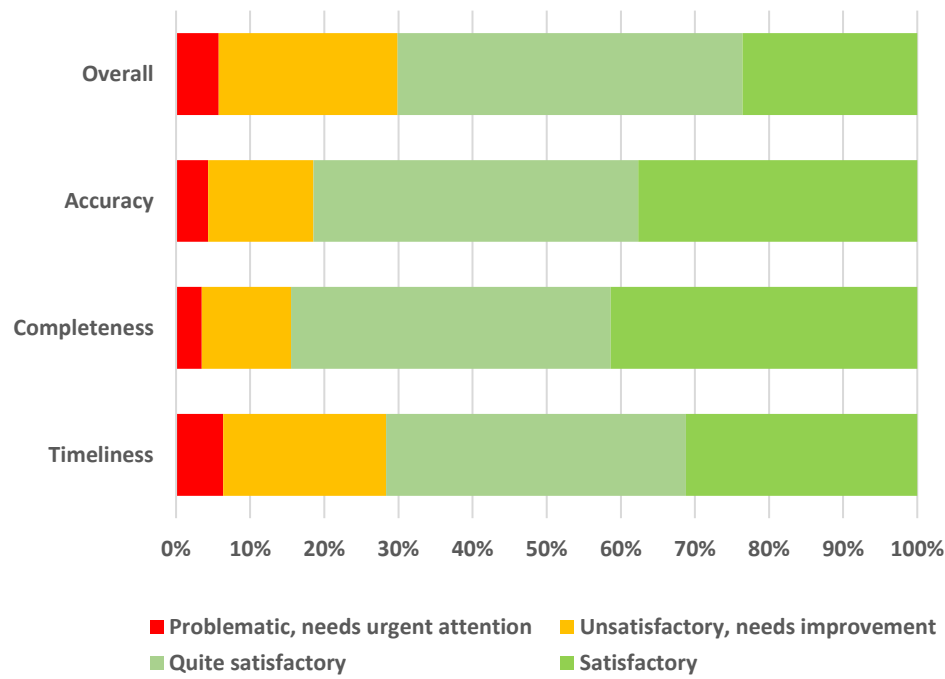


Figure 2: Financial Reporting

Monitoring Field Visits

A total of 283 monitoring field visits were effected by NSIF's Programme Officers during the NGO programme/project closure exercise. Monitoring Field Visits include meetings with persons responsible at the funded organisation and with beneficiaries. A set of checks and information/data collection in line with the components of the Monitoring Toolkit and related Verification Checklists are performed.

Field Visits are also important for making diagnostic assessments of specific problems and issues encountered during programme/project implementation and for gauging the strengths and weaknesses of organisations. Observations made during Field Visits allow for feedback, advice and adequate support to be provided to funded organisations.

Monitoring Field Visits are normally scheduled at the start, mid-term and completion of funding periods. Visits may also take place prior to disbursements to be made to funded organisations. To ensure consistency, monitoring staff are guided by the following.

Box 1: Field Visits

Meetings

- Person(s) responsible for the management of programme/project
- Representative(s) of the managing committee of NGO
- Person responsible for the financial management of NGO
- Staff and resource person(s) involved in programme/project implementation

Activity and Beneficiary Monitoring

- Examination of qualitative and quantitative implementation of programme/project in accordance with Monitoring Plan (evidence of activities implemented, calendar, delays, outputs, achievement of KPIs and expected results)
- Checks of important technical and administrative aspects including staff, equipment, materials and other resources
- List and attendance of beneficiaries
- Meetings, interviews and focus group discussions with beneficiaries

Financial monitoring

- Checks of expenditures incurred, items purchased and proofs of payments
- Checks of financial control system

Risk monitoring

- Identification of any issues and potential risks to programme/project

Compliance monitoring

- Verification of facilities and infrastructure and permits/licenses/clearances/approvals, where applicable

Rating of NGO Monitoring Performance

The monitoring performance of NGOs is assessed by rating the components and indicators of the monitoring toolkit using a 5-scale performance rating system as shown below.

Table 2: Performance Rating Scale

Rating	Interpretation
Very unsatisfactory	Urgent attention required
Unsatisfactory	Major improvements needed
Quite satisfactory	Moderate improvements necessary
Satisfactory	Slight improvements to be considered
Very satisfactory	Minor/no improvements

Activity Monitoring

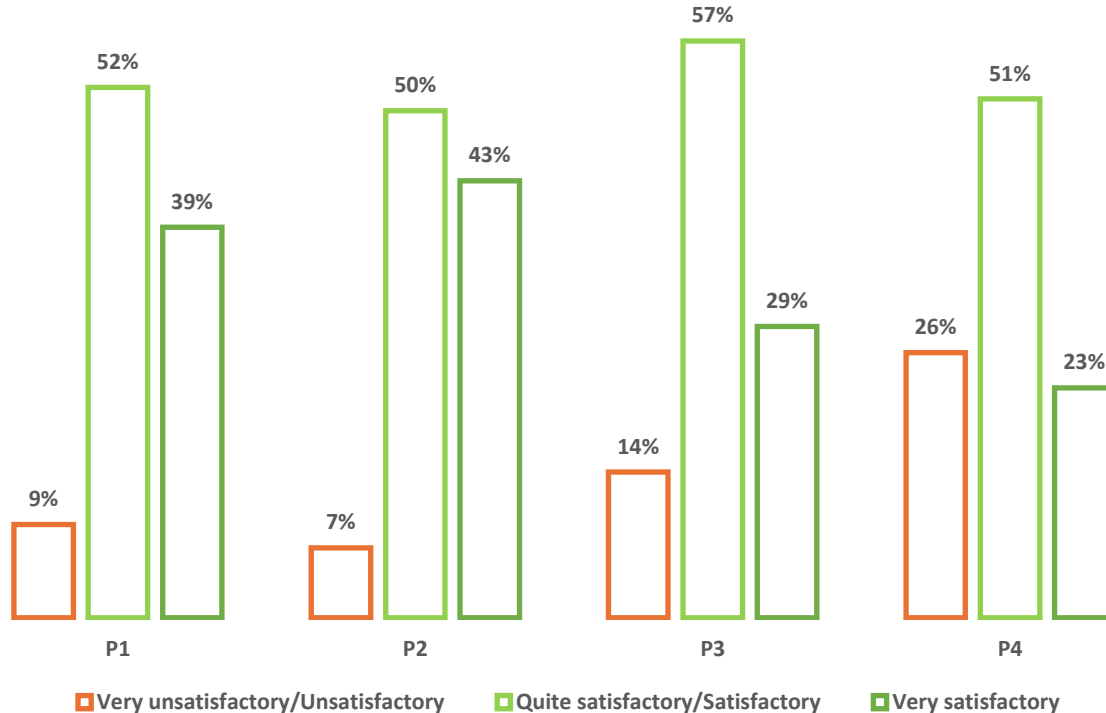
Activity monitoring entails the assessment of progress achieved in the implementation of funded programmes/projects and the delivery of outputs/results in accordance with approved result frameworks, action plans, and timelines.

Planned activities were, in general, implemented according to agreed plans and timeframes. Implementation of funded programmes/projects was rated unsatisfactory/very unsatisfactory in less than 10 percent of cases.

NGOs, for the most part, ensured the necessary resources were available for the effective delivery of their programmes/projects. In some cases, however, issues of staff turnover and recruitment difficulties were observed. 14 percent of NGOs monitored were faced with the challenge of not being able to secure adequate resources required for the good running of their activities.

Although the achievement of expected outputs/results by funded NGO programmes/projects was generally on track, it is to be noted that in more than a quarter of the cases, these could not be sufficiently ascertained due to the difficulty of NGOs to set appropriate targets and KPIs.

Figure 3: Activity Monitoring Performance



P1: Whether planned activities/services delivered, P2: Progress of activities broadly within timeframe
 P3: Appropriate resources available to implement activities, P4: Expected outputs/results being achieved

Financial Monitoring

Funded NGOs are subject to several financial checks to ensure funds disbursed by the Foundation are used as intended. Expenditures are verified against approved itemised budgets and proofs of payments, inter alia, receipts, invoices, payment vouchers, payslips and bank statements. Adjustments or reallocations to approved budgets are permissible upon formal request and authorisation. The soundness of organisations' financial control systems is also assessed using a financial control checklist.

As can be seen below, programme/project expenditures were mostly accounted for and in line with itemised budgets. Financial control systems in funded organisations were also found to be generally satisfactory. Budget reallocations were approved in 34 percent of cases. The most common reasons for budget reallocations were over or under budgeting at the planning stage, re-prioritisation of expenditures during implementation and to cater for urgent or unforeseen needs.

Figure 4: Whether Expenditures Accounted For & Approved Budget Respected

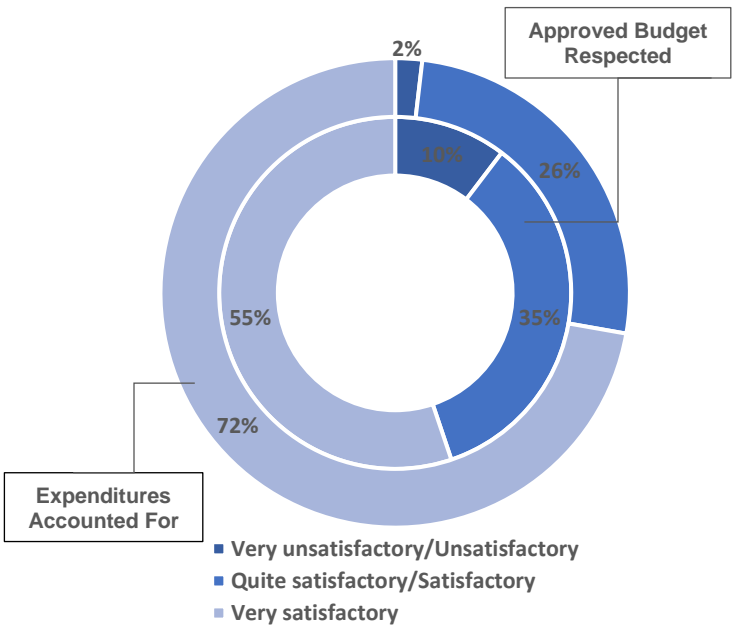


Figure 5: Financial Control System

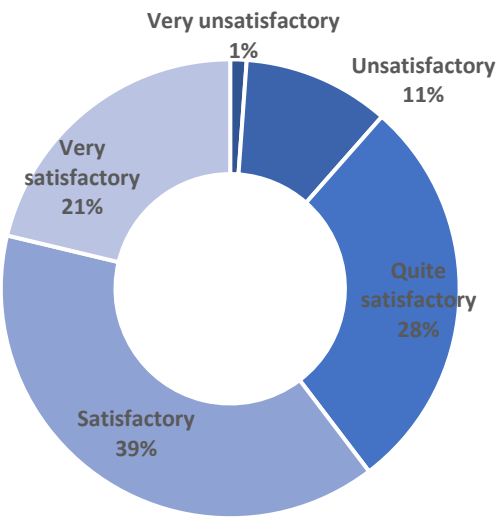
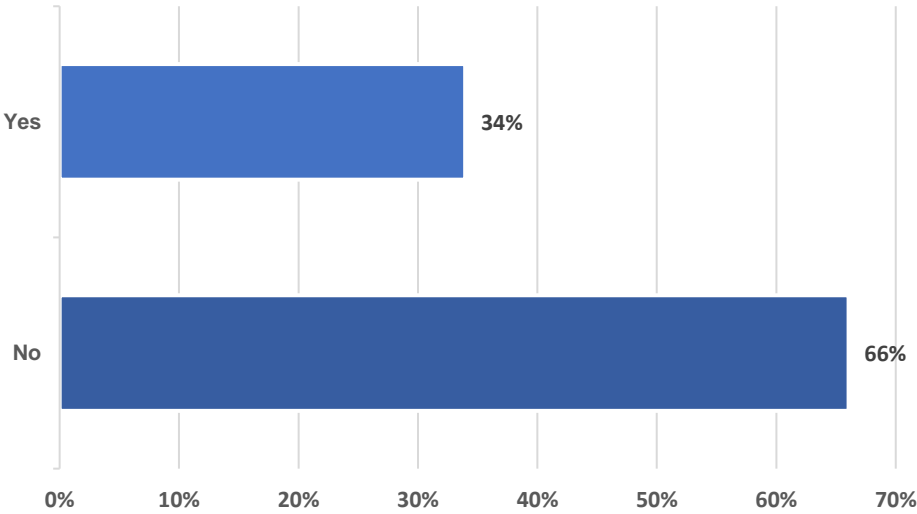


Figure 6: Budget Reallocations



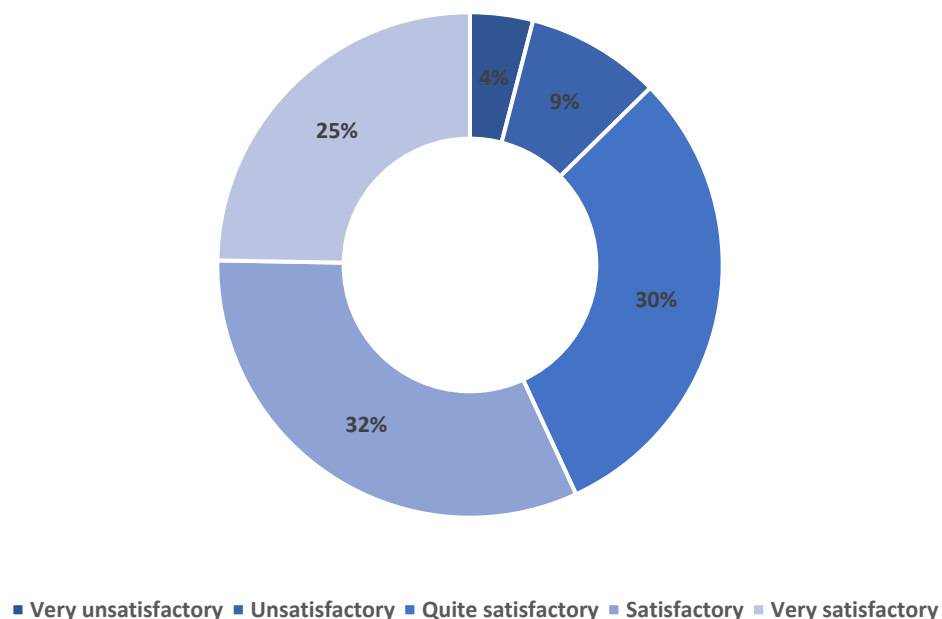
Compliance Monitoring

The award of funding by the NSIF is formalised through a Funding Contract Agreement (FCA) signed by the funded NGO and the Foundation. The FCA is a legally binding document setting out the general terms and conditions of funding. Some of the key requirements of the FCA relate to:

- Use of funds
- Disbursement of approved funds
- Financial management
- Conflict of interest and irregularities
- Monitoring and reporting
- Compliance with relevant laws

NGOs were mostly compliant with the signed FCA. Compliance with the FCA was rated as quite satisfactory to very satisfactory in 87 percent of cases. There were, nonetheless, difficulties faced by 13 percent of NGOs monitored to fully abide by clauses of the FCA.

Figure 7: FCA Compliance Monitoring Performance



The Foundation adopts a soft enforcement approach to issues of non-compliance with the FCA. It focuses on providing mentoring support and capacity building to NGOs for remedial actions to be taken within a reasonable timeframe. Where serious and repeated breaches exist, appropriate sanctions in line with the FCA may be taken, namely:

- Terminate the Funding Contract Agreement and stop any subsequent disbursements
- Deregister the Funding Recipient from the register of the NSIF
- Refer the matter to the regulatory body (where applicable) for further investigation and necessary action at its end; and
- Initiate actions to recover any amount already disbursed.

Beneficiary Monitoring

NGOs are required to report on beneficiaries of funded programmes/projects. Lists of beneficiaries are submitted for verification and beneficiary checks are periodically performed during monitoring field visits by NSIF Programme Officers.

Beneficiary verifications were largely satisfactory. The profile of beneficiaries reached were found to be consistent with targeted groups.

NGOs were mostly able to reach their intended number of beneficiaries, with 58 percent fully attaining their targets and another 35 percent reporting only minor deviations from their targeted number of beneficiaries.

79 percent of the NGOs monitored indicated having a targeted beneficiary selection process whereby beneficiary background information and their needs are assessed before integration into programmes/projects to ensure access to those who are most deserving.

Figure 8: Beneficiary Verifications

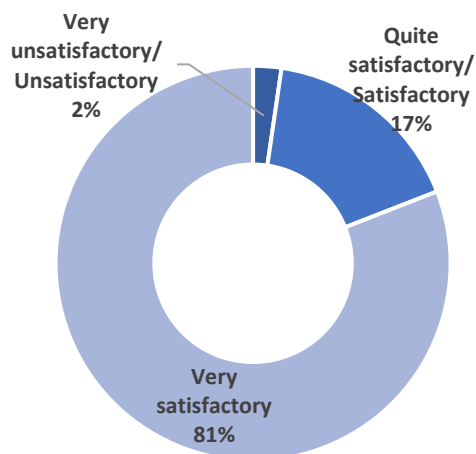


Figure 9: Deviation from Targeted No. of Beneficiaries

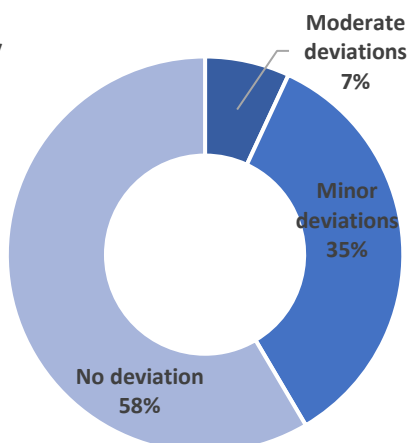
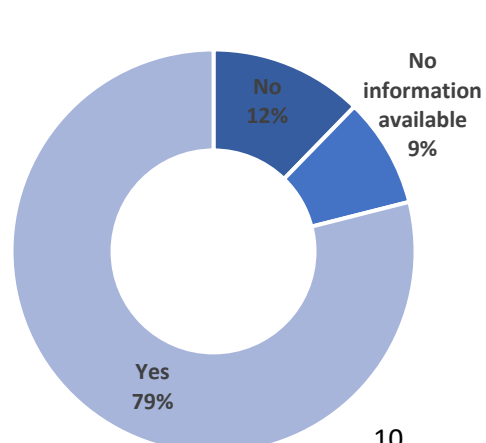


Figure 10: Needs-Based Beneficiary Selection



Risk Monitoring

The NGO monitoring exercise enables the identification of challenges and risks faced by organisations while implementing their programmes/projects. In more than a quarter of the NGOs monitored, issues relating to at least one of the following risk dimensions, namely governance, management, human resources, financial control and programme management were observed. Table 3 below gives examples of risk factors identified.

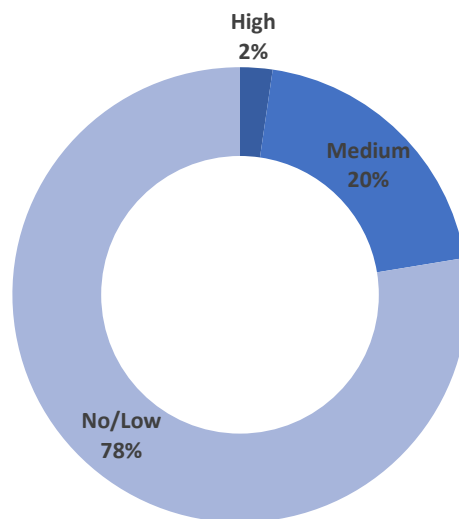
Table 3: Risk Factors

Risk	Examples
Governance	<ul style="list-style-type: none"> • Office bearers not having the necessary skills, knowledge and commitment to govern the organisation • Meetings of committees not regularly held and/or regulations for conduct of meetings not adequately adhered to • Involvement of chairperson and office bearers in day to day running of the organisation • Non/lack of disclosure of conflict of interest • Annual returns not filed in a timely manner
Management	<ul style="list-style-type: none"> • Goals and targets are not set • Unclear organisational structure • Management over-reliant on a single person • No/lack of operational rules, regulations, policies and procedures • Insufficient administrative support available to assist in the running of organisation
Human resources	<ul style="list-style-type: none"> • No/lack of proper staffing plan to provide for organisation's human resource needs • Staff lacking right qualifications, expertise/skills and experience for positions they hold • No/lack of written employment contracts • No/lack of written job descriptions/schemes of duties • No/lack of written workplace policies, procedures and rules • No/lack of remuneration determination mechanism • No/lack of identification of training needs • No/lack of appropriate channels to deal with problems, grievances, disciplinary issues and conflicts at the workplace

Financial control	<ul style="list-style-type: none"> • Inadequate bookkeeping system to record and keep track of all financial transactions • Supporting documents, e.g. quotations, purchase orders, invoices, receipts, correspondence, proof of delivery, not properly filed and readily available • No/lack of qualified finance staff employed
Programme management	<ul style="list-style-type: none"> • Organisation may lack key knowledge and competence in the sector(s) relevant to its programmes and projects • Programme and project activities may not have clear implementation plans with established targets and timelines • No/lack of processes to ensure quality of service delivery

An overall risk rating of NGOs is calculated using the above identified risk factors. An organisation is rated 'no/low risk' if risk factors are observed in up to 2 risk dimensions, 'medium risk' if issues are identified in 3 to 4 risk dimensions and 'high risk' when organisations display challenges in all 5 risk dimensions. It follows that 78 percent of NGOs were classified as 'no or low risk' while only 2 percent of organisations monitored were considered 'high risk'.

Figure 11: NGO Risk Rating



It should be noted NGOs are given advice, guidance and, where necessary, mentoring support to overcome challenges and deal with risks identified in order to help improve their organisational functioning and performance in general.

Conclusion

The findings presented in the NGO Monitoring Report 2024 show that funded NGOs are generally compliant with the reporting requirements of the NSIF. This demonstrates a broad commitment to the fundamental principles of accountability and transparency in the use of allocated funds.

Delays in reporting, experienced in nearly 30 percent of cases, however, highlight the need for constant follow-up and adequate support to NGOs for them to provide the required monitoring information and evidence on time.

Overall, funded NGOs are able to successfully deliver their activities and services to targeted beneficiaries as planned and are largely on track to achieve the intended results of their programmes/projects. But some organisations do face difficulties to secure the required resources, particularly, in recruiting staff with the desired profile. The lack of capacity to set relevant KPIs for measuring progress is another limitation faced by NGOs.

Funded NGOs are subject to rigorous financial monitoring to ensure that funds disbursed are solely used to finance approved budgeted expenditures. The verifications conducted by NSIF Programme Officers confirm that expenditures are generally well accounted for and aligned with the approved itemised budgets of NGOs. The financial control systems in funded organisations are also found to be satisfactory in the majority of cases.

The report shows that NGOs mostly comply with the signed Funding Contract Agreement. Any issues of non-compliance are resolved through mentoring support and capacity building.

Finally, it is observed that while most cases have low organisational challenges and risks, there is still a need for NGOs to develop their organisational capacity in governance and operations management, human resources management, financial control and programme management in order to achieve greater efficacy.